REMARKS

Claims 1-30 are pending in the present application. In this Response, claims 1, 12, 25, and 28 have been amended. No new matter has been added.

Claims 1-30 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1-30 are rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Publication No. 2004/0098327 to Seaman ("Seaman") in view of Ritchkin Reference ("Ritchken").

Rejection of Claims 1-30 Under 35 U.S.C. § 112, Second Paragraph

Claims 1-30 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. This rejection is respectfully traversed.

On page 2 of the Office Action, the Examiner states, "Claims 1-30 recite the limitation 'a second potential financial benefit substantially the same as the first potential financial benefit'. It is not clear what the applicants meant by the term 'substantially the same' rendering the scope of the claim indeterminate. Appropriate clarification/correction is required." Accordingly, in an effort to expedite prosecution, independent claims 1, 12, 25, and 28 have been amended to recite "the same" instead of "substantially the same." Thus, this rejection has been rendered moot in view of these claim amendments. Therefore, the undersigned representative respectfully requests that the Examiner withdraw the rejection of claims 1-30 under 35 U.S.C. § 112, second paragraph.

Rejection of Claims 1-30 Under 35 U.S.C. § 103(a)

Claims 1-30 are rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Publication No. 2004/0098327 to Seaman ("Seaman") in view of Ritchkin Reference ("Ritchken"). This rejection is respectfully traversed.

On page 3 of the Office Action, with regards to claim 1, the Examiner recognizes that "Seaman does not explicitly teach the feature of a call spread with the counterparty,

comprising the steps of: buying from the counterparty a first call option that when exercised provides a second potential financial benefit substantially the same as the first potential financial benefit; and selling to the counterparty a second call option with a higher strike price than the first call option that when exercised provides a third potential financial benefit different from the second potential financial benefit." However, the Examiner notes that the phrases "that when exercised provides a second potential financial benefit substantially the same as the first potential financial benefit" and "that when exercised provides a third potential financial benefit different from the second potential financial benefit" are "interpreted as intended use of the respective options and hence not given patentable weight.

Claim 1 has been amended to recite "having a second potential financial benefit the same as the first potential financial benefit." Claims 12 and 28 has been similarly amended herein. In view of these amendments, the amended phrases are entitled to patentable weight. Neither Seaman nor Ritchken, alone or in combination, teach or suggest "having a second potential financial benefit the same as the first potential financial benefit," as recited in amended claim 1 and similarly recited in claims 12 and 28. The Examiner acknowledges, on page 3 of the Office Action, that Seaman does not teach or suggest "having a second potential financial benefit the same as the first potential financial benefit." Ritchken fails to cure the deficiencies of Seaman. Ritchken does not teach or suggest any relationship between a vertical spread (cited by the Examiner on page 28 of Ritchken) and a contingent convertible financial instrument (cited by the Examiner in Seaman). Claim 1, and similarly claims 12 and 28, each contain an element which itself requires that the second potential financial benefit offered by the first call option be the same as the first potential financial benefit providing by the convertible security. Even assuming that the vertical spread described by Ritchken is equivalent to the call options described in these claims, Ritchken necessarily fails to teach or suggest a second potential financial benefit the same as the first potential financial benefit, as recited in claim 1 and similarly in claims 12 and 28.

Hence, neither Seaman nor Ritchken, alone or in combination, teach or suggest each and every element of claims 1, 12, and 28. Since claims 2-11, 13-27, 29, and 30 are dependent on allowable independent claims 1, 12, and 28, dependent claims 2-11, 13-27, 29,

and 30 are allowable as well. Therefore, the Examiner has not established a *prima facie* case of obviousness with respect to claims 1-30 of the present application.

For at least these reasons, independent claims 1, 12, and 28, as well as dependent claims 2-11, 13-27, 29, and 30, are patentable over the cited art. It is respectfully submitted that the rejection of claims 1-30 under 35 U.S.C. § 103(a) be withdrawn.

CONCLUSION

The undersigned representative respectfully submits that this application is in condition for allowance, and such disposition is earnestly solicited. If the Examiner believes that the prosecution might be advanced by discussing the application with the undersigned representative, in person or over the telephone, we welcome the opportunity to do so. In addition, if any additional fees are required in connection with the filing of this response, the Commissioner is hereby authorized to charge the same to Deposit Account No. 501458.

Respectfully submitted,

Date: 4/2/07

By: _____

Eric L. Sophir
Registration No. 48,499
KILPATRICK STOCKTON LLP
607 14th Street, N.W., Suite 900
Washington, D.C. 20005
(202) 508-5800